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September 8, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: CC Docket No. 92-77
Reply comments

Dear Mr. Caton:

Enclosed for filing are the original and nine (9) copies of the Reply Comments of Operator Service Company for the Further Notice of Proposed Rulemaking in CC Docket No. 92-77.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for this purpose.

Questions regarding this filing may be directed to me at (407) 740-8575.

Yours truly,

Nanci Adler
Consultant to OSC

cc: K. Smith, OSC
FCC Contractor, ITS
to file: OSC-FCC

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FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

SEP 12 1994

In the Matter of)
) CC Docket No. 92-77
Billed Party Preference)
for 0+ InterLATA Calls)

REPLY COMMENTS OF
OPERATOR SERVICE COMPANY
ON FURTHER NOTICE OF PROPOSED RULEMAKING

Operator Service Company
1624 Tenth Street
Lubbock, Texas 79401-2607
(800) 658-6041

Nanci Adler
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
(407) 740-8575

Consultant to
Operator Service Company

Dated: September 7, 1994

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[illegible]

Full compliance with regulation is not normally a goal of our society. It would be difficult to find any law or regulation for which 100% full compliance has been achieved. In fact, if such were the case there would be no need for law enforcement agencies. Yet MCI cites one example, states that full compliance with TOCSIA has not been achieved², and implies that this is somehow a dramatic failure of the system. Our government and regulators are not and should not be driven to extreme action as a result of individual cases of non-compliance. We do not ban the use of automobiles because of individual non-compliance with seat belt laws. The basic accomplishments of TOCSIA - primarily the education of consumers and non-blocking of access to carriers - has had widespread impact on the telecommunications industry and will continue to do so. TOCSIA is clearly a success story.

Rate Regulation of OSPs

The Commission must move with extreme caution with regard to the imposition of any rate regulation. Numerous parties suggest that a rate ceiling should be set for operator services. While OSC agrees that some form of rate regulation may be suitable, it urges the Commission not to adopt specific rate caps. Rate caps often have undesirable effects including dampened motivation for technological or service innovation and may penalize companies whose cost structure may be higher for legitimate reasons. In addition, the determination of an appropriate level for rate

² Comments of MCI, CC Docket 92-77, page 3.

ceilings can be an impossible task given the wide variations of carrier costs and the services offered.

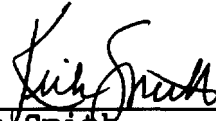
OSC reiterates its recommendation that the Commission ask carriers for whom they determine it is necessary to justify their rates. This procedure can be accomplished in a streamlined manner with minimal expense of time and money for both the Commission and the company involved. In this manner, fair and equitable treatment of carriers can be ensured.

IV. Conclusion

The comments filed in this proceeding clearly document the success of access-code dialing and the ongoing education of consumers who place operator assisted calls. No persuasive arguments have been made that BPP is necessary for consumers or that the system is worthy of the considerable expense involved.

Given the information and ability to make a choice, consumers will make rational decisions. TOCSIA ensures that the relevant information is posted and the access to other carriers is not blocked. Enforcement of TOCSIA is the most direct and cost effective way to provide consumers with the benefits of the competitive operator services market.

Respectfully submitted this 6th day of September 1994.

A handwritten signature in cursive script, appearing to read "Kirk Smith", is written over a horizontal line.

Kirk Smith
President
Operator Service Company
1624 Tenth Street
Lubbock, TX 79401